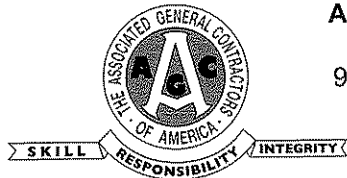


THE ASSOCIATED GENERAL CONTRACTORS OF CONNECTICUT, INC.

A Division of Connecticut Construction Industries Association, Inc.



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April 1, 2011

Senator Eileen M. Daily, Co-Chair
Representative Patricia M. Widlitz, Co-Chair
Connecticut General Assembly
Finance, Revenue, and Bonding Committee
Room 3700, Legislative Office Building
Hartford, Connecticut 06106

Dear Senator Daily and Representative Widlitz:

On behalf of the Associated General Contractors of Connecticut, I am writing in support of S.B. 1214, An Act Concerning Revisions to the Nonresident Contractor Bond Statute.

Associated General Contractors of Connecticut (AGC/CT), a division of the Connecticut Construction Industries Association (CCIA), represents commercial, industrial, and institutional construction contractors, subcontractors, material suppliers and professionals serving the construction industry. AGC/CT is the Connecticut chapter of the Associated General Contractors of America, a national contractors trade association.

S.B. 1214 would streamline the treatment of nonresident contractors, allowing the Department of Revenue Services (DRS), under certain conditions, to treat such contractors as resident contractors, and to establish procedures to close out a nonresident contractor bond. We appreciate the DRS for reaching out to the construction industry with this proposal which we regard as an improvement over current law.

The bill creates the concept of verified and unverified nonresident contractors for the purposes of determining which nonresident contractors and subcontractors: (1) have registered for taxes with the DRS; (2) have filed all required tax returns; and (3) have no outstanding tax liabilities (verified), and which nonresident contractors have not fulfilled those three obligations (unverified).

Under the bill, contractors doing business with nonresident contractors would be able to contact DRS to determine if a nonresident contractor is verified or unverified, or if any contractor or subcontractor is a resident contractor. The DRS then may disclose the information to the contractor. Authorizing DRS to provide this information to resident contractors is a change for the better, expediting the process and giving a prime contractor more of an ability to decide how to proceed with doing business with the nonresident contractor.

I appreciate the opportunity to comment on S.B. 1214 and on behalf of AGC/CT, I hope you will support the bill.

Sincerely,

John W. Butts
Executive Director

JWB:s